

State Treasurer

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY FUND CATEGORY					
General	1,239,300	1,235,400	1,244,800	1,276,400	1,212,800
Dedicated	559,600	508,900	541,100	574,900	545,700
Total:	1,798,900	1,744,300	1,785,900	1,851,300	1,758,500
Percent Change:		(3.0%)	2.4%	3.7%	(1.5%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	866,800	1,173,400	1,242,500	1,279,400	1,258,300
Operating Expenditures	372,500	570,900	543,400	571,900	500,200
Lump Sum	559,600	0	0	0	0
Total:	1,798,900	1,744,300	1,785,900	1,851,300	1,758,500
Full-Time Positions (FTP)	18.00	18.00	18.00	18.00	18.00

Division Description

The State Treasurer is one of seven statewide elected officials in Idaho. It is the responsibility of the State Treasurer to serve as the banker for all Idaho agencies and to act as custodian of the public school endowment funds.

The constitutional and statutory duties of this office include: (1) the receiving of all revenues and fees due the state; (2) deposit of funds in banks throughout Idaho; (3) paying all accounts; and (4) investing surplus monies not needed for day-to-day operations.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	18.00	1,244,800	1,785,900	18.00	1,244,800	1,785,900
Reappropriations	0.00	0	50,700	0.00	0	50,700
Budget Reduction (Neg. Supp.)	0.00	(43,600)	(43,600)	0.00	(43,600)	(43,600)
FY 2003 Total Appropriation	18.00	1,201,200	1,793,000	18.00	1,201,200	1,793,000
Removal of One-Time Expenditures	0.00	0	(50,700)	0.00	0	(50,700)
Restore Budget Reduction	0.00	43,600	43,600	0.00	0	0
FY 2004 Base	18.00	1,244,800	1,785,900	18.00	1,201,200	1,742,300
Personnel Cost Rollups	0.00	9,600	13,500	0.00	11,200	15,800
Inflationary Adjustments	0.00	9,000	13,100	0.00	0	0
Nonstandard Adjustments	0.00	400	400	0.00	400	400
Change in Employee Compensation	0.00	7,600	10,900	0.00	0	0
FY 2004 Program Maintenance	18.00	1,271,400	1,823,800	18.00	1,212,800	1,758,500
1. LGIP Investment Software	0.00	0	10,000	0.00	0	0
2. Bond Bank	0.00	5,000	5,000	0.00	0	0
3. LGIP Position	0.00	0	12,500	0.00	0	0
FY 2004 Total	18.00	1,276,400	1,851,300	18.00	1,212,800	1,758,500
Change from Original Appropriation	0.00	31,600	65,400	0.00	(32,000)	(27,400)
% Change from Original Appropriation		2.5%	3.7%		(2.6%)	(1.5%)

State Treasurer

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation	18.00	1,244,800	541,100	0	1,785,900
Reappropriations					
Reflects carryover spending authority for the Local Government Investment Pool and Professional Services funds.					
Agency Request	0.00	0	50,700	0	50,700
Governor's Recommendation	0.00	0	50,700	0	50,700
Budget Reduction (Neg. Supp.)					
Reflects the Governor's 3.5% General Fund holdback. The agency plan calls for a reduction of \$43,600 in operating expenses.					
Agency Request	0.00	(43,600)	0	0	(43,600)
<i>The Governor recommends that the General Fund holdback, as directed by Executive Orders 2002-08 and 2002-09, be incorporated as a negative supplemental appropriation for FY 2003.</i>					
Governor's Recommendation	0.00	(43,600)	0	0	(43,600)
FY 2003 Total Appropriation					
Agency Request	18.00	1,201,200	591,800	0	1,793,000
Governor's Recommendation	18.00	1,201,200	591,800	0	1,793,000
Removal of One-Time Expenditures					
Agency Request	0.00	0	(50,700)	0	(50,700)
Governor's Recommendation	0.00	0	(50,700)	0	(50,700)
Restore Budget Reduction					
Restores the Governor's 3.5% holdback to restore the FY 2004 base.					
Agency Request	0.00	43,600	0	0	43,600
<i>The Governor recommends that reductions made in appropriations in fiscal year 2003 not be restored to the budget base.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Base					
Agency Request	18.00	1,244,800	541,100	0	1,785,900
Governor's Recommendation	18.00	1,201,200	541,100	0	1,742,300
Personnel Cost Rollups					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	9,600	3,900	0	13,500
<i>The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.</i>					
Governor's Recommendation	0.00	11,200	4,600	0	15,800
Inflationary Adjustments					
Includes a general inflationary increase of 2.4% in operating expenditures.					
Agency Request	0.00	9,000	4,100	0	13,100
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0

State Treasurer

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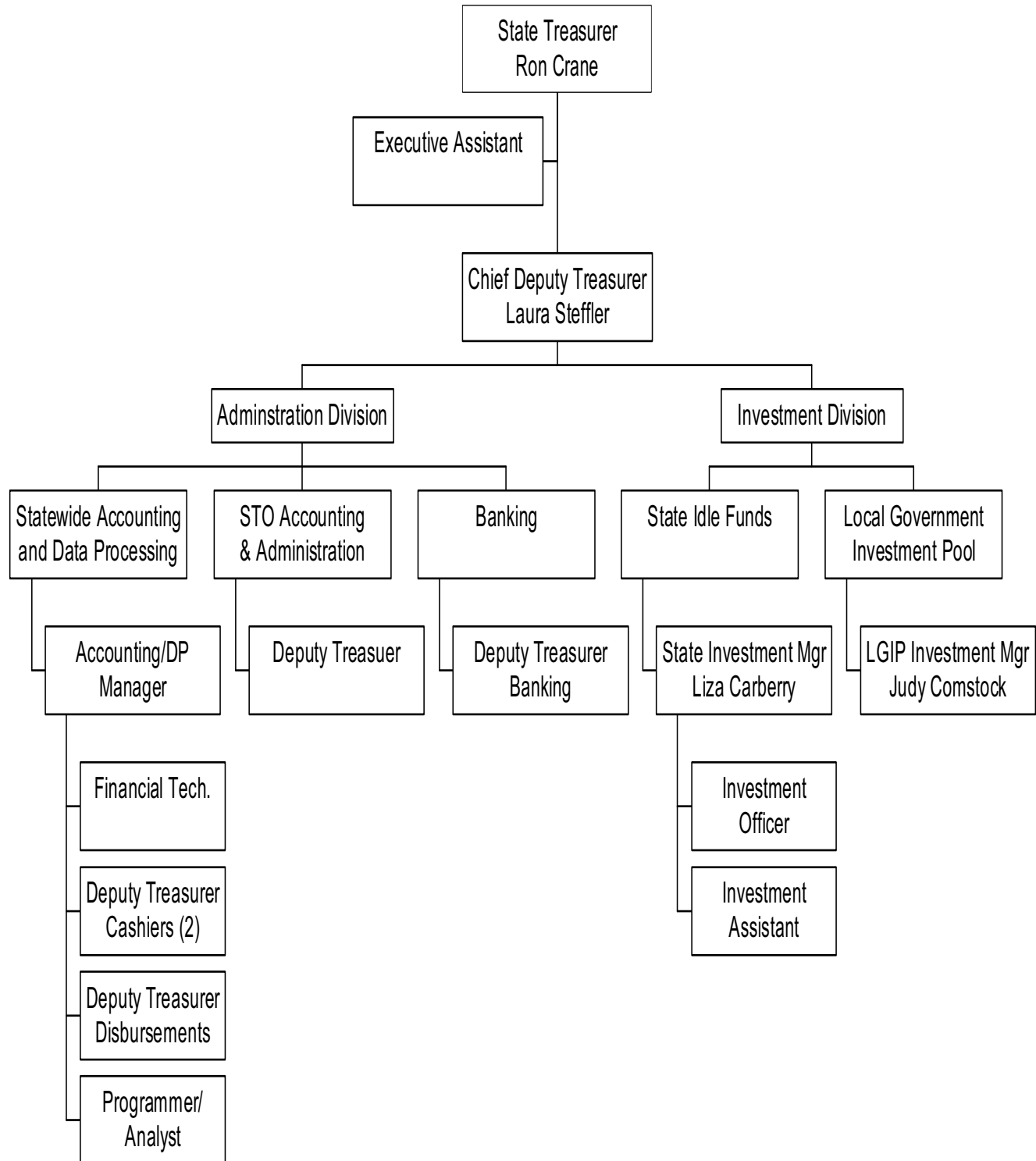
Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Nonstandard Adjustments					
Reflects an adjustment in Treasurer fees pursuant to the Statewide Cost Allocation Plan. Also reflects an adjustment for Risk Management property/casualty rates.					
Agency Request	0.00	400	0	0	400
Governor's Recommendation	0.00	400	0	0	400
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent positions.					
Agency Request	0.00	7,600	3,300	0	10,900
The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.					
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Program Maintenance					
Agency Request	18.00	1,271,400	552,400	0	1,823,800
Governor's Recommendation	18.00	1,212,800	545,700	0	1,758,500
1. LGIP Investment Software			Treasury - Administration		
This enhancement would provide \$10,000 in ongoing dedicated funds for operating expenses related to investment software. In 1999, an investment software system was purchased for the State Treasurer's office and the Endowment Fund Investment Board (EFIB) to share. The annual maintenance costs for the system was divided between the two offices. The EFIB has ceased using the system, and as such, no longer pays its share of the maintenance costs. This enhancement would cover the maintenance costs previously paid by the EFIB.					
Agency Request	0.00	0	10,000	0	10,000
The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.					
Governor's Recommendation	0.00	0	0	0	0
2. Bond Bank			Treasury - Administration		
This enhancement would provide \$5,000 in one-time General Funds for administrative and marketing expenses relating to the newly created Bond Bank. The 2000 legislature approved Senate Joint Resolution No. 107, which, as approved by the electors in the 2000 general election, amended the Idaho Constitution to create the Idaho Municipal Bond Bank. The intended purpose of the Bond Bank is to combine the bonds issued by local municipalities into a single large tax-exempt bond and then to sell the bond on the open market. Once the first issues have come to market, the Bond Bank will be able to charge fees to cover these costs.					
Agency Request	0.00	5,000	0	0	5,000
The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.					
Governor's Recommendation	0.00	0	0	0	0
3. LGIP Position			Treasury - Administration		
This enhancement would provide the Treasurer's Office increased spending authority to upgrade the salary of their LGIP Participant Coordinator position.					
Agency Request	0.00	0	12,500	0	12,500
The Governor did not choose to make a recommendation on enhancements for this Executive Branch elected official.					
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Total					
Agency Request	18.00	1,276,400	574,900	0	1,851,300
Governor's Recommendation	18.00	1,212,800	545,700	0	1,758,500

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	31,600	33,800	0	65,400
% Change from Original App	0.0%	2.5%	6.2%		3.7%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	(32,000)	4,600	0	(27,400)
% Change from Original App	0.0%	(2.6%)	0.9%		(1.5%)

Organizational Chart



State Treasurer

Issues & Information

Analyst: Freeman

Bank Service Fees - FY 2002

Beginning in FY 1996, a separate section was included in the Treasurer's appropriation bill which provided that a certain amount of the operating expenditures appropriated was to be used solely for the payment of bank service fees. The purpose of this language was to ensure that the operating money that the Legislature built into the budget for bank service fees was used for that purpose. This was in response to the Treasurer's practice of paying service fees by allowing banks to keep interest earned on account balances.

Last Session, this issue was reviewed with the Treasurer's Office, at which time it was revealed that the operating expenditures set aside specifically for bank service fees was far less than the actual amount the Treasurer's Office was paying for bank service fees. As a result, the Treasurer was directed to provide a report on the amount of fees paid for FY 2002 at JFAC's fall interim meeting. A copy of the Treasurer's report follows.

Expenditures

Paid to:	Indirectly*	Directly
Wells Fargo Bank	\$ 479,317	\$ 114,293
US Bank		\$ 57,400
Key Bank		\$ 52,050
Miicor (bank related programming fees)		\$ 34,003
B2 Direct		\$ 12,109
Loomis Fargo & Co.		\$ 11,652
GovOne Solutions LP		\$ 5,421
NACHA		\$ 3,175
DL Evans		\$ 1,866
Well Fargo Merchant Services		\$ 577
AS Pratt & Sons Group		\$ 561
Sterling Savings Bank		\$ 267
Bank of Eastern Idaho		\$ 185
Ireland Bank		\$ 169
Zions First National Bank		\$ 95
Twin River National Bank		\$ 70
First Bank of Idaho		\$ 56
Farmers National Bank		\$ 32
Bank of Commerce		\$ 29
	<u>\$ 479,317</u>	<u>\$ 294,010</u>
Total Expenditures	\$ 773,327	

* Money left in account, the interest from which is used to pay bank fees.

Earnings

Posted In:	Interest Earnings	Securities Lending
Wells Fargo Bank	\$ 101,775	\$ 227,797
US Bank	\$ 22,338	
Key Bank	\$ 22,113	
	<u>\$ 146,226</u>	<u>\$ 227,797</u>
Total Earnings	\$ 374,023	